

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7136**

**BILL NUMBER: SB 376**

**NOTE PREPARED: Jan 4, 2004**

**BILL AMENDED:**

**SUBJECT:** Wheel tax and license excise surtax exemptions.

**FIRST AUTHOR:** Sen. Broden

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill allows a county to adopt an ordinance to exempt a vehicle owned by a person who is at least 65 years of age and whose state adjusted gross income does not exceed \$25,000 from the wheel tax or the license excise surtax, or both.

**Effective Date:** July 1, 2004.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** The impact would depend on the number of counties adopting an ordinance to exempt a vehicle owned by a person who is at least 65 years of age and whose state adjusted gross income does not exceed \$25,000 from the Wheel Tax or the License Excise Surtax, or both. According to the 2000 Census, approximately 10.86% of Indiana's population is over age 65 and has income less than \$25,000 per year. The Wheel Tax and License Excise Surtax collections for CY 2002 were \$31,033,667. The average growth in the last four years has been about 3%. Assuming a similar growth in the future, the reduction in revenue for CY 2005 *if* all counties adopted the ordinance would be about \$3.7 M. The impact would be dependent on local action.

*Background:* The county auditor allocates money in the Excise Surtax and Wheel Tax Fund to each city, town, and county based on the formula for the Local Road and Street Account. Revenue is used to construct,

reconstruct, repair, or maintain streets and roads.

**State Agencies Affected:**

**Local Agencies Affected:** Cities, towns, and counties.

**Information Sources:** Indiana Handbook of Taxes, Revenue, and Appropriations.

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